

(Translation)

May 15, 2003

Dear Sirs,

Name of the Company: MegaChips Corporation
Representative: Shigeki Matsuoka
President and Representative
Director
(Code No. 6875, the First Section of the Tokyo Stock Exchange)
Person to contact: Tetsuo Hikawa
Director and Executive Officer,
responsible for Corporate Planning
(TEL 06-6399-2884)

Notice of Acquisition by the Company of its Own Shares

(Acquisition by the Company of its own shares pursuant to
Article 210 of the Commercial Code of Japan)

Notice is hereby given that MegaChips Corporation (the "Company"), at the meeting of its Board of Directors held on May 15, 2003, resolved that the Company would gain authorization to acquire its own shares pursuant to Article 210 of the Commercial Code of Japan at the Ordinary General Meeting of Shareholders of the Company to be held on June 24, 2003, as described below:

Description

1. Reason for gaining authorization for the acquisition of its own shares from the General Meeting of Shareholders:

To enable itself to carry out management with agility in response to changing economic conditions, the Company desires to gain authorization by resolution of the General Meeting of Shareholders in advance for the acquisition of its own shares.

2. Details of the acquisition:

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| (1) Class of shares to be acquired: | Shares of common stock of the Company |
| (2) Total number of shares to be acquired: | (Not exceeding) 500,000 shares
(Ratio thereof to the total number of issued shares: 2.03%) |
| (3) Aggregate acquisition prices of shares: | (Not exceeding) ¥500,000,000 |

- (Notes)
1. The details described above shall be subject to the approval and adoption of the "Proposition on the Acquisition by the Company of its Own Shares" at the Ordinary General Meeting of Shareholders of the Company to be held on June 24, 2003.
 2. The approval and adoption of the proposition will only secure a framework for the Company to acquire its own shares. The necessity and specific method therefor will be determined by the Board of Directors as the need be, by taking into consideration the future economic conditions, business environments and other factors.

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